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UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE
Bachelor of Business Administration Degree

3000 Level 1st Semester End Examination (Repeat /Old Syllabus)

November/ December 2021

HRM 3142: Performance and Reward Management

Duration: Three hours

Total Marks: 70

Instructions

The question paper contains six (06) questions.

Answer five (5) questions including question number one (1).

1) .Read the case titled “Performance appraisal system of XYZ Company and answer the questions given below.

XYZ Company was faced with a problem—its performance appraisal system was not working. Rather than motivating the employees, its system was leaving them discouraged

- The appraisal occurred once a year.
- It required employees to document their accomplishments.
- The manager would assess these accomplishments in writing and assign numerical ratings.
- The appraisal included a summary written appraisal and a rating from 1 (unsatisfactory) to 5 (exceptional).
- The ratings were on a forced distribution, controlled at the 3 level

This system resulted in inequitable ratings and was cited by many employees as a major source of dissatisfaction.

Considering this problem , XYZ developed a new system to eliminate it The new system has three stages, as opposed to the one-step process of the old system. These stages are spread out over the course of the year. The first stage occurs at the beginning of the year when the manager meets with each employee. Together, they work out a written agreement on the employee’s goals, objectives, plans, and tasks for the year. Standards of satisfactory performance are explicitly spelled out in measurable, attainable, and specific terms.

The second stage is a mid-year, mandatory feedback and discussion session between the manager and the employee. Progress toward objectives and performance strengths and weaknesses are discussed, as well as possible means for improving performance in the latter half of the year. Both the manager and the employee sign an “objectives sheet” indicating that the meeting took place.

The third stage in the appraisal process is the formal performance review, which takes place at year’s end. Both the manager and the employee prepare a written document, stating how well the employee met the preset performance targets. They then meet and discuss the performance of the employee, resolving any discrepancies between the perceptions of the manager and the employee. This meeting emphasizes feedback and improvement. Efforts are made to stress the positive aspects of the employee’s performance as well as the negative. This stage also includes a developmental planning session in which training, education, or development experiences that can help the employee are discussed. The merit increase discussion takes place in a separate meeting from the performance appraisal, usually a month or two later. The discussion usually centers on the specific reasons for the merit raise amount, such as performance, relationship with peers, and position in salary range. This allows the employee to better see the reasons behind the salary increase amount, as opposed to the summary rank, which tells the employee very little.

I. What are the main approaches to measure employee performance?

(03 Marks)

II. Explain the weaknesses of old performance appraisal system of XYZ company

(05 Marks)

III. Discuss the advantages of new performance appraisal system

(06 Marks)

(Total Marks 14)

2).

I. Describe the steps in performance management process

(06 Marks)

II. Distinguish between performance appraisal and performance management

(04 Marks)

III. Performance management systems have a critical role in translating strategy into action”

Explain this statement.

(04 Marks)

(Total Marks 14)

3).

I. "Poor performance is best seen as a problem in which the employer and management are both accountable". Explain the above statement

(05 Marks)

II. Explain the five basic steps followed by a manager to eliminate employees' poor performance.

(05 Marks)

III. What are the difficulties in team performance management rather than individual employee performance management?

(04 Marks)

(Total Marks 14)

4).

I. Define the concept of employee reward.

(04 Marks)

II. Discuss the importance of Reward Management in an organization

(05 Marks)

III. Explain the different kinds of monetary and non-monetary rewards which can be given to employees

(05 Marks)

(Total Marks 14)

5) .

I. Differentiate between intrinsic and extrinsic rewards. (04 Marks)

II. How can organizations ensure fair pay reflecting internal equity and external equity? (06 Marks)

III. What is meant by statutory and non-statutory welfare? (04 Marks)

(Total Marks 14)

6). Write short notes on the **four (4)** of the followings.

I. Broad banded pay structures.

II. Performance related pay.

III. Job Evaluation

IV. Management by objectives

V. 360 degree performance appraisal system

(3.5 *4= Total Marks 14)

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